MULTIMEDIA UNIVERSITY

STUDENT ID NO

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# MULTIMEDIA UNIVERSITY

# FINAL EXAMINATION

**T3, 2017/ 2018**

## BCB7094 – CONSUMER BEHAVIOUR

(MBA Full Time)

6 JUNE 2018
9.00 a.m – 12.00 p.m
(3 Hours)

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**INSTRUCTIONS TO STUDENT**

1. This question paper consist of **FOUR (4)** pages including this cover page.
2. You are required to answer only **FOUR (4)** questions.
3. Marks are shown at the end of each question.
4. The total marks for this paper is 100.
5. All answers must be written in the **Answer Booklet** provided.

## SECTION A

**ANSWER BOTH QUESTIONS 1 AND 2**

### QUESTION 1

Read Appendix 1 – "Going for younger consumers" and answer the following questions:

a. Identify the problem encountered by Yomeishu distributor;
b. Please advise Lynne Chiang on how to change the attitude of the younger consumers.
c. Which theory/ies would use to study the intention of the younger consumers to buy this product?

**(Total: 30 Marks)**

### QUESTION 2

The increasing use of mobile devices by consumers makes shopping a continuous rather than a discrete activity that requires retailers to engage with their customers at critical touch points of the decision process in order to provide a more customer-centric experience. (Faulds, Mangold, Raju & Valsalan (2017).

Explain the following terms:

a. Continuous rather than discrete activity
b. Cirtical touch points
c. Customer-centric experience

**(Total: 30 Marks)**

**Continued...**

## SECTION B

**ANSWER 2 QUESTIONS ONLY:**

### QUESTION 3

Globalization has given rise to multi-national production and sourcing structures. Products oftentimes relate to more than just one country of origin (COO) cue. The prevalence of such hybrid products necessitate a partitioning of the origin construct into separate dimensions such as country of assembly (COA), country of components (COC) and country of design (COD). Are consumers sensitive to these dimensions?

**(Total: 20 Marks)**

### QUESTION 4

Marketers must always monitor cultural changes to discover new opportunities and abandon markets that have "dried up" because of cultural changes. Explain the influence of culture on consumer behavior towards the followings:

a. Consumption of food and beverages
b. Usage of social media networks

**(Total: 20 Marks)**

### QUESTION 5

A manufacturer of a new product for whitening teeth would like to investigate the effects of package design and label information on consumers' perceptions of the product and their intentions to buy it. Would you advise the manufacturer to use observational research, experimentation, or a survey? Explain your choice.

**(Total: 20 Marks)**

**Continued...**

# APPENDIX 1 – GOING FOR YOUNGER CONSUMERS

MALAYSIA's sole distributor for the Japanese traditional health tonic brand Yomeishu, Banfoong Sydney (M) Sdn Bhd, is gearing up to attract more younger consumers in the domestic market. It also aims to obtain the distribution rights for Indonesian and Vietnamese markets this year.

"Younger generation doesn't see taking Yomeishu as necessity. We need to have more activities for young people on educational basis so that they won't look down on what their parents and grandparents are taking," says Lynne Chiang, the chief executive officer of Banfoong in an interview with *StarBizWeek*.

She points out that younger consumers will buy Yomeishu for their parents or older relatives but not for themselves as they think that the product is only for the older generation and for when they fall sick.

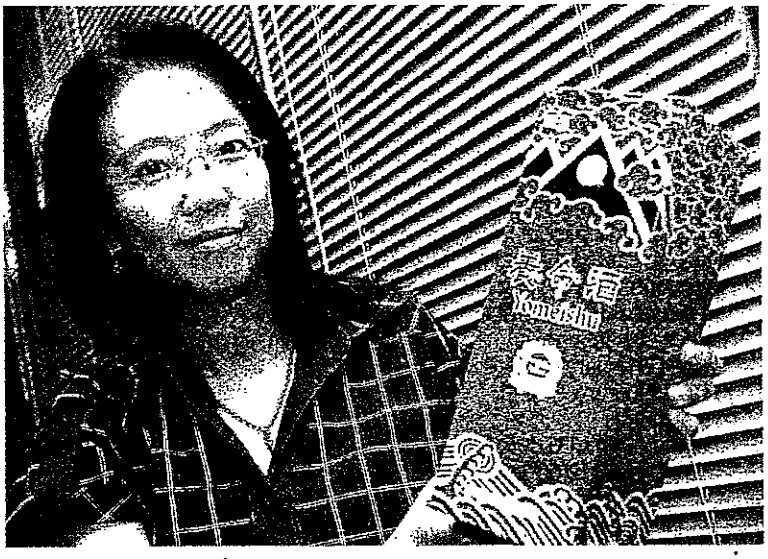
"We have to let them know that a healthy drink is not something that you need only when you are getting older or sick. Healthy living is something that they need to maintain when they are young as well," she says.

Chiang says the company is also planning for digital marketing to attract younger consumers – such as joining social networking site Facebook recently – adding that it is important to have more interaction with consumers to answer all their questions and worries.

Banfoong has been the sole distributor for the brand since 1969.

"Our target customers are those above 18 years old who want to have good health. Most of our clients are between 30 and 50 years old and some are even up to 80 years old. Most of the customers are female, as they feel the stress of taking care of the family," she says.

The health tonic brand is registered as a medicine in Japan and is a household brand there. The product is now available in more than 20 countries.



Lynne Chiang says younger consumers will buy Yomeishu for their parents or older relatives but not for themselves

Yomeishu is a herbal liqueur using more than 10 types of herbs immersed in a wine base and matured for two months. This manufacturing method is different from the current popular method where ingredients are extracted easily.

This prescription is made in Japan based on a traditional oriental medicine. Slightly sweet, it is available in natural cinnamon flavour and contains 14% alcohol.

Continuously manufactured for nearly 400 years, the product remains the largest and most trusted health tonic brand even among the Japanese.

In Malaysia, Yomeishu has been a trusted brand for health and overall well-being for many generations.

Chiang says there are close to 4,000 retail outlets nationwide that are selling Yomeishu. She adds that the company is now talking to retailing groups Tesco, Watson and Guardian to market its product.

"Based on our estimation, we have close to 45% market share in the health tonic industry locally. Malaysia is the largest contributor for Yomeishu after Japan," she says.

With growing concerns and needs for better health nowadays, she says the company is optimistic about Yomeishu's sales in Malaysia, which have been picking up since last year.

"The market will expand but it will take time and it is competitive. There are other oriental cures from different places like China, South Korea and Indonesia but there is no single product so far that has gone more than 400 years of continuous production like Yomeishu," she says.

She hopes to register better sales through the consumer realisation of their own needs and less natural disasters, which will affect the mood of the general retail market.

Chiang says Banfoong is looking at obtaining the distribution right for Indonesia and Vietnam and it is negotiating with the headquarters of Yomeishu in Japan now.

"We have connections in Vietnam and we need to sort out issues like licensing, import and export. The demographic for both countries are similar to Malaysia. They are a developing market and are undergoing the phase Malaysia had gone through 20 years ago," she says.

She says the company hopes to finalise the negotiation by year-end with the Japanese brand owner and the local authorities in both countries.

**End of Paper**

**By LEE KIAN SEONG**
lks@thestar.com.my